

Observation Room Billing for Medicaid (based on Medicare OPPS)

UB Revenue codes

0762 Observation Room

Reporting Hours

- Observation begins at the time documented in the medical record, which coincides with the time when the patient is placed in a bed. (round to the nearest hour)
- The units of service should equal the number of hours the patient is in observation status. All units are billed on one line (12 Hrs= 12 Units).
- Reported Observation time would NOT include the time a patient remains in observation area after treatment is finished. (for reasons such as waiting for transport home).

HCPCS

- G0378 – Hospital Observation Service, per hour
- G0379 – Direct Admission of patient for Hospital Observation Services (**G0379 is only allowed with G0378**)

Diagnosis Coding

- Dates of service **prior to 12/31/07**, observation is payable for:
 - Congestive Heart Failure
 - Chest Pain
 - Asthma
- Effective 01/01/08, no diagnosis criteria is used.

Reimbursement

Dates of service prior to 12/31/07

The OPPS processing logic (OCE) will determine if G0378 (observation) is separately payable as APC 0339 or packaged into the payment for other services provided by the hospital in the same encounter.

Criteria for Separate Payment:

- Patient has specified Chest Pain, Asthma or Congestive Heart Failure diagnosis
- At least 8 hours of observation
- A clinic or ER visit or Critical Care on the day of or day before observation
- No status indicator “T” procedure the day of or the day before observation

Effective 01/01/08:

G0378 was changed to a “N” status indicator (payment is always packaged)

When observation care is billed in conjunction with a High Level Clinic Visit, High Level ER Department Visit, Critical Care Services, or Direct Admission to observation as an integral part of the patient's extended encounter of care, payment may be made for the entire extended care encounter through one of two composite APC's.

APC 8002: Level I Extended Assessment and Management

APC 8003: Level II Extended Assessment and Management

Composite APC 8002

1. 8 or more units of HCPCS G0378 billed
 - On the same day as HCPCS G0379 or
 - On the same day or the day after CPT Codes 99205 or 99215: and
2. There is no service with SI = T on the claim on the same date of service or 1 day earlier than G0378

Composite APC 8003

1. 8 or more units of HCPCS G0378 are billed on the same date of service or the date of service after 99284, 99285, or 99291;and
2. There is no service with SI = T on the claim on the same date of service or 1 day earlier than G0378

Payment for Direct Admission to Observation HCPCS G0379 is made either under APC 604 = Level 1 Hospital Clinic Visits or APC 8002 = Level I Extended Management and Assessment Composite or is packaged into payment for other separately payable services.